

OPEN MEETING



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MEMORANDUM

Arizona Corporation Commission

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TO: THE COMMISSION

MAR 05 2015

AZ CORP COMMISSION
DOCKET CONTROL

FROM: Utilities Division

DOCKETED BY

ORIGINAL

DATE: March 5, 2015

RE: IN THE MATTER OF THE APPLICATION OF GLOBAL CONNECTION INC. OF AMERICA DBA STAND UP WIRELESS FOR APPROVAL TO EXPAND ITS ELIGIBLE TELECOMMUNICATIONS CARRIER SERVICE AREA. (DOCKET NO. T-04259A-14-0327)

INTRODUCTION

On September 10, 2014, Global Connection Inc. of America dba Stand Up Wireless ("GCI") filed an application requesting to expand its Eligible Telecommunications Carrier ("ETC") designated service area in Arizona. The Arizona Corporation Commission ("ACC" or "Commission") designated GCI a wireless, Lifeline-only ETC in Decision No. 73556, on October 17, 2012.

On January 15, 2015, GCI filed an amended application to replace the September 10, 2014 application, as the original application contained zip codes that encompassed only Tribal Lands. GCI does not serve Tribal Lands and removed 32 zip codes from the previous list of zip codes expanding its existing ETC designated service area.

DESIGNATED SERVICE AREA

Since the time GCI received ETC designation from the Commission, it has become aware that there are additional zip codes where its underlying carriers, Sprint Nextel ("Sprint") and Verizon Wireless ("Verizon") have coverage. GCI performed an analysis comparing Sprint and Verizon's coverage with areas where GCI is not currently designated as an ETC and requests to add the resulting zip codes, identified in Attachment 1 of the Proposed Order to the current zip codes in its current designated service area. For those zip codes that encompass tribal lands, GCI requests to serve only the non-tribal areas of the zip code.

STAFF ANALYSIS

In Decision No. 73556, the Commission required that should GCI expand its Lifeline service beyond the designated service area specified in this application, GCI is required to seek ETC designation from the Commission to serve the additional area.¹ GCI currently is authorized to

¹ See Decision No. 73556, Page 15, lines 19-21.

provide Lifeline services in 405 zip codes in Arizona. In this application, GCI seeks to add an additional 126 zip codes to its designated service area.

In the course of its review of GCI's Application, Staff found the Federal Communication Commission ("FCC") issued GCI a *Notice of Apparent Liability for Forfeiture* ("NAL") on December 9, 2013.² The NAL alleges that GCI willfully violated 47 C.F.R. §§ 54.407, 54.409, and 54.410 by requesting and receiving reimbursement payments from the Universal Service Fund for intra-company duplicate Lifeline enrollments. An intra-company duplicate occurs when a consumer is provided more than one Lifeline service by a single company. The basis for the NAL is Universal Service Administrative Company's ("USAC's") in-depth validation review of a sample of months in 2012 and 2013 for ten states to identify intra-company and inter-company Lifeline service duplicates. An inter-company duplicate occurs when a consumer is provided Lifeline service by more than one company. Arizona was one of the ten states reviewed and information pertaining to Arizona Lifeline customers for April 2013 and May 2013 was included in the review. Of 121,823 subscribers included in the ten-state review,³ USAC identified 2,231 intra-company duplicates during the period of June 2012 through May 2013, thus 1.8% of the total number of customers were intracompany duplications. GCI provided information which indicates that the percentage of Arizona Lifeline duplicates for it was less than .02 percent of its Arizona customers. Since the time the NAL was issued, the National Lifeline Accountability Database ("NLAD") came online on April 3, 2014 and is now used to ensure that only eligible households will receive one federal Lifeline benefit per household from ETCs and intra- and inter-company duplications are eliminated.

The Consumer Services Section of the Utilities Division reports that there have been no complaints, inquiries, or opinions about GCI for the period of January 1, 2011 to September 17, 2014. According to the Corporations Division, GCI is in good standing. The Compliance Section reports that GCI is in compliance.


² FCC 13-155 (December 9, 2013).

³ Public Utilities Commission of the State of California, Resolution T-1746, pgs 12-13, *Due Diligence*, December 18, 2014.

RECOMMENDATION

Staff recommends the application of GCI to add 126 zip codes to its current designated service area be approved subject to the following conditions:

- a. GCI be required to file to include the additional zip codes in its existing ETC tariff within 30 days of the date of the Decision in this matter; and
- b. GCI be required to file as a Compliance item a status update on the FCC's NAL proceeding every six months from the effective date of this Decision, for a period of two years or until the FCC resolves the matter. If, after two years and the FCC has not resolved the matter, GCI may request that the Commission rescind this reporting requirement; and



Steven M. Olea
Director
Utilities Division

SMO:LLM:vsc\MAS

ORIGINATOR: Lori Morrison

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BEFORE THE ARIZONA CORPORATION COMMISSION

SUSAN BITTER SMITH
Chairman
BOB STUMP
Commissioner
BOB BURNS
Commissioner
DOUG LITTLE
Commissioner
TOM FORESE
Commissioner

IN THE MATTER OF THE APPLICATION)
OF GLOBAL CONNECTION INC. OF
AMERICA DBA STAND UP WIRELESS
FOR APPROVAL TO EXPAND ITS
ELIGIBLE TELECOMMUNICATIONS
CARRIER SERVICE AREA.

DOCKET NO. T-04259A-14-0327
DECISION NO. _____
ORDER

Open Meeting
April 14 and 15, 2015
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On September 10, 2014, Global Connection Inc. of America dba Stand Up Wireless (“GCI”) filed an application requesting to expand its Eligible Telecommunications Carrier (“ETC”) designated service area in Arizona. The Arizona Corporation Commission (“ACC” or “Commission”) designated GCI a wireless, Lifeline-only ETC in Decision No. 73556, on October 17, 2012.
2. On January 15, 2015, GCI filed an amended application to replace the September 10, 2014 application as the original application contained zip codes that encompassed only Tribal Lands. GCI does not serve Tribal Lands and removed 32 zip codes from the previous list of zip codes expanding its existing ETC designated service area.
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DESIGNATED SERVICE AREA

3. Since the time GCI received ETC designation from the Commission, it has become aware that there are additional zip codes where its underlying carriers, Sprint Nextel ("Sprint") and Verizon Wireless ("Verizon") have coverage. GCI performed an analysis comparing Sprint and Verizon's coverage with areas where GCI is not currently designated as an ETC and requests to add the resulting zip codes, identified in Attachment 1, to the current zip codes in its current designated service area. For those zip codes that encompass tribal lands, GCI requests to serve only the non-tribal areas of the zip code.

STAFF ANALYSIS

4. In Decision No. 73556, the Commission required that should GCI expand its Lifeline service beyond the designated service area specified in this application, GCI is required to seek ETC designation from the Commission to serve the additional area.¹ GCI currently is authorized to provide Lifeline services in 405 zip codes in Arizona. In this application, GCI seeks to add an additional 126 zip codes to its designated service area.

5. In the course of its review of GCI's Application, Staff found the Federal Communication Commission ("FCC") issued GCI a Notice of Apparent Liability for Forfeiture ("NAL") on December 9, 2013.² The NAL alleges that GCI willfully violated 47 C.F.R. §§ 54.407, 54.409, and 54.410 by requesting and receiving reimbursement payments from the Universal Service Fund for intra-company duplicate Lifeline enrollments. An intra-company duplicate occurs when a consumer is provided more than one Lifeline service by a single company. The basis for the NAL is Universal Service Administrative Company's ("USAC's") in-depth validation review of a sample of months in 2012 and 2013 for ten states to identify intra-company and inter-company Lifeline service duplicates. An inter-company duplicate occurs when a consumer is provided Lifeline service by more than one company. Arizona was one of the ten states reviewed and information pertaining to Arizona Lifeline customers for April 2013 and May 2013 was included in the review. Of 121,823 subscribers

¹ See Decision No. 73556, Page 15, lines 19-21.

² FCC 13-155 (December 9, 2013).

1 included in the ten-state review,³ USAC identified 2,231 intra-company duplicates during the period
2 of June 2012 through May 2013, thus 1.8% of the total number of customers were intracompany
3 duplications. GCI provided information which indicates that the percentage of Arizona Lifeline
4 duplicates for it was less than .02 percent of its Arizona customers.

5 6. Since the time the NAL was issued, the National Lifeline Accountability Database
6 ("NLAD") came online on April 3, 2014 and is now used to ensure that only eligible households will
7 receive one federal Lifeline benefit per household from ETCs and intra- and inter-company
8 duplications are eliminated.

9 7. The Consumer Services Section of the Utilities Division reports that there have been
10 no complaints, inquiries, or opinions about GCI for the period of January 1, 2011 to September 17,
11 2014. According to the Corporations Division, GCI is in good standing. The Compliance Section
12 reports that GCI is in compliance.

13 RECOMMENDATION

14 8. Staff recommends the application of GCI to add 126 zip codes to its current
15 designated service area be approved as requested. In addition, Staff recommends that GCI be
16 required to file to include the additional zip codes in its existing ETC tariff within 30 days of the date
17 of the Decision in this matter.

18 9. Staff further recommends GCI be required to file as a Compliance item a status update
19 on the FCC's NAL proceeding every six months from the effective date of this Decision, for a period
20 of two years or until the FCC resolves the matter. If, after two years and the FCC has not resolved
21 the matter, GCI may request that the Commission rescind this reporting requirement.

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28 ³ Public Utilities Commission of the State of California, Resolution T-1746, pgs 12-13, *Due Diligence*, December 18, 2014.

CONCLUSIONS OF LAW

1. Global Connection Inc. of America dba Stand Up Wireless is a telecommunications company as defined in A.R.S. § 40-201(46) and is a "telecommunications carrier" as defined in 47 U.S.C. § 153(51). Global Connection Inc. of America is also a reseller of Commercial Mobile Radio Service as defined in 47 U.S.C. § 20.3 and A.A.C. R14-2-1201(8).

2. The Commission has jurisdiction over the subject matter of the Application.

3. Under 47 U.S.C. § 214(e)(2), the Commission must establish the geographic area for the purposes of determining universal service obligations and support mechanisms. Global Connection Inc. of America's Application requests an expansion to its ETC designated service area to include the new zip codes listed in Attachment 1.

4. The Federal Communication Commission issued Global Connection Inc. of America a Notice of Apparent Liability for Forfeiture ("NAL") on December 9, 2013.⁴ The NAL alleges that Global Connection Inc. of America willfully violated 47 C.F.R. §§ 54.407, 54.409, and 54.410 by requesting and receiving reimbursement payments from the Universal Service Fund for intra-company duplicate Lifeline enrollments..

ORDER

IT IS THEREFORE ORDERED that the Application of Global Connection Inc. of America dba Stand Up Wireless to add 126 additional zip codes to extend its current Eligible Telecommunications Carrier designated service area pursuant to U.S.C. § 214(e)(1) for the purpose of receiving federal universal service support in Arizona, as set forth in Attachment 1 attached hereto and incorporated herein by reference, be and hereby is granted as discussed herein.

IT IS FURTHER ORDERED that GCI shall file to include the additional zip codes in its existing ETC tariff within 30 days of the date of the Decision in this matter

IT IS FURTHER ORDERED that GCI file, as a compliance item in this docket, a status update on the FCC's NAL proceeding every six months from the effective date of this Decision, for a

⁴ FCC 13-155 (December 9, 2013).

1 period of two years or until the FCC resolves the matter. If, after two years and the FCC has not
2 resolved the matter, GCI may request that the Commission rescind this reporting requirement.

3 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

4
5 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

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7 _____
CHAIRMAN

COMMISSIONER

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9
10 _____
COMMISSIONER

COMMISSIONER

COMMISSIONER

11
12 IN WITNESS WHEREOF, I, JODI JERICH, Executive
13 Director of the Arizona Corporation Commission, have
14 hereunto, set my hand and caused the official seal of this
Commission to be affixed at the Capitol, in the City of
Phoenix, this _____ day of _____, 2015.

15
16 _____
17 JODI JERICH
EXECUTIVE DIRECTOR

18
19 DISSENT: _____

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21 DISSENT: _____

22 SMO: : /

1 SERVICE LIST FOR: GLOBAL CONNECTION INC. OF AMERICA DBA STAND UP
WIRELESS

2 DOCKET NO. T-04259A-14-0327

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12 Phoenix, Arizona 85007

13 Ms. Lyn Farmer
14 Chief Administrative Law Judge,
Hearings Division
15 Arizona Corporation Commission
1200 West Washington Street
16 Phoenix, AZ 85007

	Zipcode	Zip_Postal_City	State
	ADDITIONAL		
1	85039	PHOENIX	AZ
2	85073	PHOENIX	AZ
3	85077	PHOENIX	AZ
4	85235	HAYDEN	AZ
5	85237	KEARNY	AZ
6	85256	SCOTTSDALE	AZ
7	85262	SCOTTSDALE	AZ
8	85264	FORT MCDOWELL	AZ
9	85273	SUPERIOR	AZ
10	85279	FLORENCE	AZ
11	85289	TEMPE	AZ
12	85290	TORTILLA FLAT	AZ
13	85292	WINKELMAN	AZ
14	85313	GLENDALE	AZ
15	85320	AGUILA	AZ
16	85321	AJO	AZ
17	85324	BLACK CANYON CITY	AZ
18	85325	BOUSE	AZ
19	85332	CONGRESS	AZ
20	85341	LUKEVILLE	AZ
21	85344	PARKER	AZ
22	85347	ROLL	AZ
23	85348	SALOME	AZ
24	85356	WELLTON	AZ
25	85357	WENDEN	AZ
26	85362	YARNELL	AZ
27	85371	POSTON	AZ
28	85390	WICKENBURG	AZ
29	85501	GLOBE	AZ
30	85531	CENTRAL	AZ
31	85533	CLIFTON	AZ
32	85534	DUNCAN	AZ
33	85535	EDEN	AZ
34	85536	FORT THOMAS	AZ
35	85539	MIAMI	AZ
36	85540	MORENCI	AZ
37	85541	PAYSON	AZ
38	85543	PIMA	AZ
39	85544	PINE	AZ
40	85545	ROOSEVELT	AZ
41	85546	SAFFORD	AZ
42	85548	SAFFORD	AZ
43	85551	SOLOMON	AZ
44	85552	THATCHER	AZ
45	85554	YOUNG	AZ
46	85601	ARIVACA	AZ
47	85602	BENSON	AZ
48	85607	DOUGLAS	AZ
49	85610	ELFRIDA	AZ
50	85611	ELGIN	AZ
51	85615	HEREFORD	AZ

	Zipcode	Zip_Postal_City	State
52	85621	NOGALES	AZ
53	85624	PATAGONIA	AZ
54	85625	PEARCE	AZ
55	85633	SASABE	AZ
56	85637	SONOITA	AZ
57	85638	TOMBSTONE	AZ
58	85643	WILLCOX	AZ
59	85671	SIERRA VISTA	AZ
60	85720	TUCSON	AZ
61	85736	TUCSON	AZ
62	85775	TUCSON	AZ
63	85777	TUCSON	AZ
64	85901	SHOW LOW	AZ
65	85902	SHOW LOW	AZ
66	85911	CIBECUE	AZ
67	85912	WHITE MOUNTAIN LAKE	AZ
68	85920	ALPINE	AZ
69	85922	BLUE	AZ
70	85923	CLAY SPRINGS	AZ
71	85924	CONCHO	AZ
72	85925	EAGAR	AZ
73	85926	FORT APACHE	AZ
74	85927	GREER	AZ
75	85928	HEBER	AZ
76	85929	LAKESIDE	AZ
77	85930	MCNARY	AZ
78	85931	FOREST LAKES	AZ
79	85932	NUTRIOSO	AZ
80	85933	OVERGAARD	AZ
81	85934	PINEDALE	AZ
82	85935	PINETOP	AZ
83	85936	SAINT JOHNS	AZ
84	85937	SNOWFLAKE	AZ
85	85938	SPRINGERVILLE	AZ
86	85939	TAYLOR	AZ
87	85940	VERNON	AZ
88	85941	WHITERIVER	AZ
89	86001	FLAGSTAFF	AZ
90	86016	GRAY MOUNTAIN	AZ
91	86020	CAMERON	AZ
92	86021	COLORADO CITY	AZ
93	86022	FREDONIA	AZ
94	86024	HAPPY JACK	AZ
95	86031	INDIAN WELLS	AZ
96	86036	MARBLE CANYON	AZ
97	86038	MORMON LAKE	AZ
98	86046	WILLIAMS	AZ
99	86052	NORTH RIM	AZ
100	86303	PRESCOTT	AZ
101	86305	PRESCOTT	AZ
102	86321	BAGDAD	AZ

	Zipcode	Zip_Postal_City	State
103	86323	CHINO VALLEY	AZ
104	86324	CLARKDALE	AZ
105	86332	KIRKLAND	AZ
106	86334	PAULDEN	AZ
107	86336	SEDONA	AZ
108	86337	SELIGMAN	AZ
109	86338	SKULL VALLEY	AZ
110	86343	CROWN KING	AZ
111	86401	KINGMAN	AZ
112	86406	LAKE HAVASU CITY	AZ
113	86411	HACKBERRY	AZ
114	86432	LITTLEFIELD	AZ
115	86433	OATMAN	AZ
116	86434	PEACH SPRINGS	AZ
117	86437	VALENTINE	AZ
118	86441	DOLAN SPRINGS	AZ
119	86442	BULLHEAD CITY	AZ
120	86443	TEMPLE BAR MARINA	AZ
121	86444	MEADVIEW	AZ
122	86445	WILLOW BEACH	AZ
123	86508	LUPTON	AZ
124	86520	BLUE GAP	AZ
125	86540	NAZLINI	AZ
126	86547	ROUND ROCK	AZ